

**MEETING SUMMARY OF THE
COMMUNITY DEVELOPMENT COMMITTEE (CDC)
MEETING
TUESDAY, August 21, 2012 – 6:00 P.M.
ROOM 303 CITY HALL**

Present: Jim Gaylord, Daniel Nyquist, Bill Kimbler, Michael Ramsey, Pat Tyler, Kristi Ann Agnes-Gordon, Dan Nyquist, John Evans, Barbara Carr and Justin Perpich

Absent: Debra Branley, and Daryl Yankee

Staff: Keith Hamre, Karen Olesen and Charles Froseth

Others Present: See attached list.

1. **Roll Call:** Chair Kimbler conducted roll call, and a quorum was present.

2. **Approval of Meeting Summary from June 26, 2012:**

Motion by Carr, seconded by Ramsey, to approve the minutes as written. Motion passed.

3. **Review of Pre-Applications for FY 2013 Funding Round:**

Keith Hamre began by introducing Carol Dixon, HUD Minneapolis, the new Field Representative for Duluth. Dixon stated that although new to HUD having been employed for a year and a half, she worked at MN Housing for ten years, working on a number of Duluth projects. Dixon is spending the week monitoring the HOME program.

Hamre reviewed the funding targets and estimated allocation for 2013. Housing is targeted at 30%, or an estimated \$744,000; public facilities 20%, or \$372,000; public services 15% or \$320,000; HOME program estimated at \$519,000; and ESG \$220,000. With the Committee's agreement, Kimbler suggested taking each application in the order on the spreadsheet. The Committee would approve or deny a final application at the end of each category.

Coordinated Weatherization Program

Martin Lepak, AEOA, and Jodi Slick, Ecolibrium3, talked about their effort to join forces to better serve the community, and therefore, were submitting a new joint application this year. They stated this will allow them to avoid any overlap in programs, and ensure their energy efficiency efforts complement each other. Also, the ability to leverage other funding allows a reduced request for CDBG support. There was a brief discussion on flood relief. Question was asked if the organizations were targeting CDBG neighborhoods, and did AEOA and Eco3 intend to submit one application? The answer

to both questions was “yes”. Committee members expressed their appreciation for the collaboration by the agencies.

Hillside Apartments

Nancy Cashman, Center City Housing, gave a brief description of the proposed Hillside Apartments, a 44 unit supportive housing project to be built on 4th Street. Last year, the Committee made a “pre-commitment” of either 2012 or 2013 funds of \$250,000, depending on the outcome of a tax credit application to MN Housing. The State didn’t provide funding for 2012. The development team, including Center City, One Roof and CHUM, revised the application to achieve a better score, and they are very hopeful the State will fund the project for 2013. The State’s decision will be public in October.

The second pre-application is in the public facilities category, and Chair Kimbler asked Cashman to also address this request. When built, the plan is to re-locate CHUM’s family emergency shelter to space within the Hillside Apartments. The new facility will provide 6 shelter units, replacing CHUM’s current 4 units. Responding to questions Cashman stated there will be 24 hour front desk staff and onsite services. CHUM is launching a capital campaign specifically for the shelter portion of the budget. If successful in securing State funding, construction would start next Summer, with an anticipated opening in Spring 2014.

Acquisition/Rehab/Resale

Jim Mischler-Philbin, One Roof, is in charge of the Land Trust program under the new organization. For the last five years, he stated they have acquired and renovated homes to sell to income eligible homebuyers. The reason for the pre-application has to do with a decrease in the original amount awarded for this fiscal year. The CD Committee approved changing One Roof’s funding from HOME to CDBG, and the HRA’s single family rehab program from CDBG to HOME. In doing so, the amount One Roof received went from \$315,000 to \$200,000. By requesting \$430,000 in FY 2013, the two years average \$315,000 per year. Responding to questions Mischler-Philbin stated their production is 10-15 homes each year; reduced funding would result in fewer units; One Roof and HRA work together on rehabs; and when houses turn over, they are sold to another income eligible family.

Duluth Property Rehab Program

Lynne Snyder, Rehab Director at the Duluth HRA, began by describing the new “Housing Resource Connection”, a partnership between the HRA, One Roof, AEOA, Eco3, and the City to provide coordinated housing rehab. The integrated Homekeeper tracking and record system will “go live” next week, providing one point for intake, applications, rehab management, reporting, by all the agencies. She stated this is a great opportunity to leverage other dollars, and ensure existing funds are well spent. Snyder clarified the request for funds to include HRA and One Roof expenses, as well as some City staff costs. The final application will have a more detailed budget.

Motion by Kimbler, seconded by Ramsey, to have the four housing pre-applications submit final applications. Motion passed unanimously.

SOAR Duluth At Work

Amy Westbrook, from SOAR Career Solutions, described the programs they provide. Kimbler asked for clarification of the increased request for funds. Westbrook explained the \$160,000 is for 20 training slots, last year's grant award of \$112,000 provided 14 training slots. She elaborated on the positive results to individuals and the community because of the Duluth At Work project. Question was asked how participants come to the project, answer was various means, such as word of mouth, referrals, employers experiencing layoffs, WorkForce office, and other agencies.

Motion by Ramsey, seconded by Gaylord, to have this economic development pre-application submit a final application. Motion passed unanimously.

Lincoln Park Branch Gymnasium Project

Carla Charlton, from the Boys & Girls Clubs of the Northland, gave an update on the effort to rehab space in the old Lincoln Park School for recreation and community non-profit offices. Developer George Sherman purchased the buildings from the school district for \$1, and is leasing out approximately 22,000 square feet. Boys & Girls Board of Directors plan to approve a long-term lease next week, at a below market rent. In response to questions, Charlton stated CDBG funds will be the only source to pay for the roof, however, foundations and corporations will be approached to help rehab the learning center and kitchen facility in the building. Developer Sherman's contribution is providing a below market rent. Last year's CDBG award of \$50,000 was specifically for the heating system. The long term lease will be for 10-15 years. Boys & Girls are hoping to be awarded the full amount requested, however, they will settle for whatever amount is funded. Roof replacement is their first priority.

LIFELINE Building

Jeff Wollerton and Tim Peterson, Life House, talked about the services provided to homeless youth in the Lifeline Building. They receive Public Service and ESG funds for programming. This request is for improvements to the building. Cost estimates are \$7,000 to add 3 offices in a storage area; \$20,000 for flooring; \$61,500 for 6 air handling units; \$33,302 for the boiler room; \$21,000 for windows; and \$45,000 for air cooling. Question was if request isn't fully funded, could the project be split into phases? Response was Life House would prioritize improvements based on amount awarded.

New Building Acquisition or Renovation - UDAC

Chair Kimbler declared he had a conflict of interest, in that his spouse is employed by this applicant agency. Kimbler stated he would refrain from any discussion, and abstain from voting.

Laurie Berner, from United Day Activity Center (UDAC), discussed their pre-application. UDAC employs 67 staff, serves about 150 clients with disabilities. They receive a per diem from the State, and are paid for transportation services. The building on 6th Ave. East has major structural problems due to Brewery Creek running under the property and an old landfill. The cost of stabilizing the structure is prohibitive. UDAC will look for a new facility, somewhere in the range of 29,000 to 34,000 square feet. In response to questions, Berner stated they haven't identified other funding sources, as the capital campaign is just being formulated. The current site could be sold, but the only value is in the land, not the building. As a vocational daycare center, operational funds can't support a mortgage.

Motion by Nyquist, seconded by Evans, to have the Boys & Girls Club submit a final application on the Lincoln School gym roof. Motion passed unanimously.

Motion by Gaylord, seconded by Tyler, to have Life House submit a final application on the Lifeline Building renovation. Motion passed unanimously.

Motion by Ramsey, seconded by Evans, to have UDAC submit a final application on the new building acquisition. Kimbler abstained. Motion passed.

Motion by Nyquist, seconded by Perpich, to have the partner agencies working on the Hillside Apartments submit a final application on funding for the emergency family shelter portion of the project. Motion passed unanimously.

Oshki Housing Services

American Indian Community Housing Organization (AICHO) submitted two pre-applications, one for public service funding and the other for ESG. Jamie Miller and Janelle Burton explained the public service request is to support part of a Case Manager's time to work with residents at the Gimaajii supportive housing project and Oshki transitional housing. The ESG request is to maintain the transitional and the shelter buildings. Funds were depleted in repairing damage to the Oshki building in the recent flood. In response to questions, Miller and Burton stated they receive tribal rental subsidies for Gimaajii housing units; White Earth provides medical, mental health and chemical dependency services; AICHO makes referrals of their clients to other agencies like SOAR as well as receiving referrals from Safe Haven shelter and other providers.

Motion by Nyquist, seconded by Ramsey, to have AICHO submit a final application for public service funding. Motion passed unanimously.

Motion by Gaylord, seconded by Gordon, to have AICHO submit a final application for ESG funding. Motion passed unanimously.

4. Discussion of FY 2013 Action Plan and Budget Targets

Hamre pointed out the pre-applications discussed tonight totaled \$3.1 million, and the

City's total 2012 allocation was only about \$3.5 million. Typically, we can expect an additional 30 or so final applications to be submitted. Congress has passed a continuing resolution that includes HUD funding. The 2013 budget is not expected to be passed until after the Fall election. City staff should have a good idea of the funds that will be available in December or January.

Ramsey asked about awarding public dollars to renovate buildings under private ownership. Hamre explained that if funded under CDBG Public Facilities, the Lincoln School building would have to be open for public use, a lien would have to be placed on the property to ensure compliance with CDBG regulations, and if there was a future change in the use of the building, CDBG dollars would have to be repaid in proportion to the percent of CDBG assistance at the future value of the building.

Meeting adjourned at 7:58 p.m.

Submitted by: Karen Olesen